

# LEGISLATIVE AUDIT DIVISION

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## **MEMORANDUM**

**TO:** Legislative Audit Committee Members  
**FROM:** Steve Erb, Performance Auditor  
**CC:** Pam Bucy, Commissioner, Department of Labor and Industry  
Diane Ferriter, Administrator, Employment Relations Division  
Bryan Page, Chief, Safety Bureau  
**DATE:** September 2013  
**RE:** Performance Audit Follow-Up 13SP-14: Mine Safety Inspection and Training Program (Original 11P-10)  
**ATTACHMENTS:** Original Performance Audit Summary

### **Introduction**

The Mine Safety Inspection and Training Program (11P-10) report was issued to the Committee in January 2012. The audit included three recommendations to the Department of Labor and Industry (department). In June 2013, we conducted follow-up work to assess implementation of the report recommendations. This memorandum summarizes the results of our follow-up work.

### **Overview**

During the original audit, we determined that the department's mine safety activities at the state's coal mines frequently duplicated the efforts of the federal Mine Safety and Health Administration inspections. The department's mine safety training activities had the potential of increasing department costs if federal grant funding was reduced. The original audit report provided three recommendations to the department. During the 2013 Legislative Session, statutes were changed to reduce the number of required inspections at the state's coal mines. They also permitted the department to charge fees for training materials used by individuals participating in required mine safety training. The department has changed its practices for scheduling training and has produced training materials that will be purchased by participants undergoing training. For these reasons, we believe that the department has implemented all three recommendations made in the original audit report.

### **Background**

The Department of Labor and Industry's mine safety activities focus on conducting inspections on certain types of mines and providing required annual/new miner training. In the past, the department conducted inspections in all of the state's mines. However, in 1997, statutes were changed to prohibit the department from conducting safety inspections in metal mines. Since 1997, the department has continued to conduct regular inspections of the state's coal mines and sand and gravel mines. It also provides a significant amount of required mine safety training. Funding for this training comes from federal mine safety grants and state unemployment insurance fees. Individuals participating in mine safety training were not charged

for training materials provided during training, and state instructors provided training throughout the state whenever able. With the possibility federal mine safety funding could be reduced, scheduling inefficiencies and the provision of free training materials could undermine the financial viability of training.

### **Follow-up Audit Results**

The following sections summarize the progress toward implementation of the report recommendations. During follow-up, we reviewed statutory changes made during the 2013 Legislative Session that affected mine safety activities. We reviewed the safety bureau's training schedule for fiscal year 2013 and reviewed proposed training manuals for use in the on-going safety training program. We also discussed the bureau's mine safety training and inspection programs with the safety bureau chief.

### **RECOMMENDATION #1**

**We recommend the department seek revisions to statute to redefine its regulatory role in mine safety and ensure state programs do not duplicated existing federal regulatory efforts.**

### **Implementation Status – Implemented**

During the 2013 Legislative Session, the statutory requirement to conduct quarterly inspections of Montana's coal mines was reduced from quarterly to semiannually.

### **RECOMMENDATION #2**

**We recommend the department review available options and take necessary actions to address the financial sustainability of its mine safety training program.**

### **Implementation Status – Implemented**

During the 2013 Legislative Session, statutes were modified to permit the department to charge fees for training materials used in mine safety training. The department has produced a number of pamphlets that will be distributed to miners participating in training. Individuals participating in required mine safety training will be required to purchase these pamphlets as part of their entry into the class.

### **RECOMMENDATION #3**

**We recommend the department ensure class sizes and scheduling provide for cost-effective delivery of mine safety training services.**

### **Implementation Status – Implemented**

Statutes require the department to provide training in a cost-effective manner while also taking into account the needs of participants and the mining industry. The department has changed its scheduling policy by holding a larger number of training sessions at already established department facilities, primarily in Billings and Helena. This has reduced the amount of per diem paid to instructors that have to travel to remote locations to provide training. In the future, the department anticipates setting minimum class sizes at fixed training sites while recognizing there will continue to be a need to provide training on short notice due to changing economic conditions.